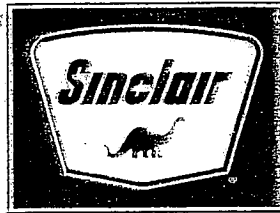


SOLID AND HAZARDOUS  
WASTE DIVISION

MAR 19 2010

#7008 0500 0001 0313 8514



Certified Mail  
Return Receipt Requested

March 16, 2010

Mr. Tim Link  
Solid and Hazardous Waste Division  
Wyoming Department of Environmental Quality  
Herschler Building  
122 West 25<sup>th</sup> Street  
Cheyenne, Wyoming 82002

Re: Sinclair Wyoming Refining Company  
Notice of Violation No. 4615-09  
Settlement Agreement

Dear Mr. Link:

Enclosed are two original copies of the Settlement Agreement for NOV No. 4615-09. Please sign both of the original copies, keep one for your records, and return one copy to Mr. Mike Bellinger at SWRC, P.O. Box 277, Sinclair, WY 82334.

If you should have any questions, please contact John Pfeffer, Environmental Manager at (307) 328-3548.

Sincerely,

M. P. Bellinger  
Refinery Manager

JFP/jfp

Enclosures

cc: Bob Breuer, SHWD/Casper  
Charles Plymale, SHWD/Lander  
Matt Buchholz, HWPCA/Cheyenne  
Lynn Hart, SOC  
Mike Achacoso, SOC  
John Pfeffer, SWRC.(RC)  
Environmental Reader File

**Sinclair Wyoming Refining Company**

P.O. BOX 277, SINCLAIR, WYOMING 82334  
AREA CODE (307) 324-3404

MAR 19 2010

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality (DEQ), and Sinclair Wyoming Refining Company (SWRC) a Wyoming corporation authorized to do business in Wyoming, enter into this Settlement Agreement to fully and finally resolve without litigation the violations alleged in **Notice of Violation Docket No. 4615-09, dated December 30, 2009**. The Notice of Violation allege that SWRC is in violation of the Wyoming Environmental Quality Act (Act) and applicable Solid and Hazardous Waste Rules & Regulations or permit conditions.

W.S. 35-11-901 (a)(ii) authorizes the DEQ to negotiate a stipulated settlement, including payment of a penalty, compliance schedules, or other enforcement conditions, in lieu of litigation. To that end, SWRC and the DEQ hereby stipulate and agree as follows.

1. The DEQ is responsible for enforcing the Wyoming Environmental Quality Act and Rules and Regulations promulgated thereunder.
2. SWRC operates a refinery in Sinclair, WY.
3. DEQ alleges that SWRC failed to properly respond to releases of hazardous waste or constituents [HWRR, Chapter 10, Section 3(b)]. With documentation of ignitable, hazardous material leaking into pontoons, destabilizing the Tank 518 floating roof and no attempt to remove or recover the leaking material, DEQ alleges SWRC discarded the materials and generated a waste.
4. DEQ alleges that SWRC failed to adhere to general facility standards to identify and correct problems before they harm human health and the environment including regular observation of pontoon leak rates and recovery of accumulated material in the leaking roof pontoons of Tank 518. [HWRR, Chapter 10, Sections 2(f)(i) and 2(f)(ii)(D) and 2(f)(iii)].
5. Since receiving the Notice of Violation Docket No. 4615-09 on or about December 30, 2009, SWRC has corrected the above violations, and has developed procedures to prevent recurrence of the above violations.



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6. SWRC, in accordance with this Settlement Agreement, agrees to pay a total of \$660,000 as a stipulated penalty. Such payments shall be made no later than April 30, 2010, by check payable to the Wyoming Department of Environmental Quality and addressed to the Wyoming Department of Environmental Quality, Attention: WDEQ/SHWD, Herschler Building, 4<sup>th</sup> Floor West Wing, 122 W. 25<sup>th</sup> Street, Cheyenne, WY 82002.
7. SWRC's full compliance with the terms of this Settlement Agreement shall constitute satisfaction for all present and future claims by DEQ against SWRC based on the acts or omissions alleged to be violations in Notice of Violation No. 4615-09. Contingent on SWRC's compliance with the terms of this Settlement Agreement, DEQ will refrain from taking further enforcement action against SWRC for the violations specifically alleged in Notice of Violation no. 4615-09.
8. SWRC waives any statute of limitations which may apply to an enforcement action by the DEQ/SHWD involving the specific matters described in Notice of Violation No. 4615-09 in the event that SWRC fails to fulfill its obligations under this Settlement Agreement.
9. This Settlement Agreement shall be admissible by either party without objection by the other party in any subsequent action between these parties.
10. Each party shall bear its own attorney fees and costs, if any, incurred through the date this Settlement Agreement is signed by both parties.
11. This Settlement Agreement is binding upon SWRC, its successors and assigns, and upon the DEQ.
12. This Settlement Agreement may only be amended in writing, signed by both parties.
13. The State of Wyoming and the Department of Environmental Quality, do not waive sovereign immunity by entering into this Settlement Agreement, and specifically retain all immunity and all defenses to them as sovereigns pursuant to Wyo. Stat. Ann. § 1-39-104(a) and all other state law.
14. The persons signing this Settlement Agreement certify that they are duly authorized to bind their respective parties to this Settlement Agreement.

15. This agreement is not binding until fully executed by all parties to this Agreement.

16. SWRC, by entering this Agreement, does not concede or admit to any liability or fault.

FOR: Sinclair Wyoming Refining Company

Signed: Mike Achacoso

Date: 3-16-10

Typed: Mike Achacoso

Title: Vice President, Refinery Operations

FOR: THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

John L. Love, Director

Date: 3/18/10

Department of Environmental Quality (DEQ)

Jay Beebe for Carl Anderson, Administrator

Date: 3-19-10

DEQ/Solid & Hazardous Waste Division